

## Message Text

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DRAFTED BY EA/P:STAFF:PP

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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

DEPT OF TREASURY

AMEMBASSY MOSCOW

INFO USSAGE NAKHON PHANOM

CINCPAC HONOLULU

COGARD

UNCLAS STATE 063717

COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: MARCH 20 EA PRESS SUMMARY

1. INDOCHINA

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SENATE PASSED 3.9 BILLION DOL FY 75 FOREIGN AID APPROPRIATIONS BILL WEDNESDAY, REJECTING 59 MILLION ADD ON RECOMMENDED BY SAC TO 440 MILLION ALLOWED BY HOUSE FOR POSTWAR INDOCHINA AID (AP, SUN; PHINQ). HOUSE LAST

THURS PASSED 3.5 BILLION VERSION; NOW BOTH BILLS GO TO CONFERENCE (UPI NYT, NYDN). MCGOVERN OFFERED MOTION THAT RESULTED IN REJECTION OF RECOMMENDED INCREASE IN POSTWAR RECONSTRUCTION AID, CALLED PROGRAM MISNOMER SINCE PROVIDES ECON BUDGET SUPPORT FOR GVN AND PROLONGS FIGHTING THERE (WP). CONGRESSIONAL LEADERS DELAYED FURTHER ACTION ON GKR EMERGENCY MIL AID, TAKING LITTLE OR NO NOTICE OF CONTINUING ADMIN APPEALS FOR URGENT ACTION (UPI, NYT).

CSM'S HEY NOTES MAJOR CONGRESSIONAL MOVE TO BE ANNOUNCED TODAY MAY RESULT IN ENDING ALL GVN MIL AID AFTER THIS FY. CONGRESSIONAL SOURCES SEE ADMIN LEVERAGE DECLINING FOR 2 REASONS: PRES MISSED MAJOR OPPORTUNITY COMPROMISE WITH CONGRESS RECENTLY BECAUSE DOS REFUSED MAKE SIGNIFICANT

DOLLAR CONCESSIONS, WHEN SENS CHURCH AND PEARSON MET WITH STATE OFFICIALS ON POSSIBLE 3-YR AID PLAN AND DOS SOUGHT 6.3 BILLION PACKAGE SPREAD EVENLY OVER 3 YRS WHILE SENS WANTED GRADUATED PACKAGE STARTING AT 1.6 BILLION AND TAPERING TO NOTHING IN 3 YRS; RECENT GVN PULL-BACK DECISION MAKES MANY IN CONGRESS THINK IT MORE VULNERABLE THAN THEY PREVIOUSLY BELIEVED. SENS MATHIAS AND STEVENSON WILL PROPOSE ALL GVN MIL AID END JUNE 30, 1975, WITH EXCEPTION THAT 120 DAYS' ADDITIONAL AID CAN BE GIVEN IF PRES CERTIFIES TO CONGRESS WOULD BE USEFUL IN FINDING PEACEFUL SETTLEMENT TO WAR. CSM BELIEVES MANY SENS WILL SUPPORT PLAN, THOUGH MAY BE ONLY STARTING PLACE FOR DIFFICULT NEGOTIATIONS WITH ADMIN.

SECSTATE CONCEDES HE WOULD NEVER HAVE NEGOTIATED VN C-F IN GOOD CONSCIENCE IF HAD FORESEEN CONGRESSIONAL RELUCTANCE PROVIDE SVN AID, ACCORDING US OFFICIALS WITH HAK IN ME (PHINQ). OFFICIALS SAY HAK KNOWN TO BELIEVE DEBATE OVER GKR AID IS INVITATION TO NVN TO LAUNCH RENEWED SOUTHERN OFFENSIVE (UPI, CHITRIB). US OFFICIALS REPORTEDLY CONVINCED NOW NO WAY HELP GVN WITHSTAND COMMUNIST UNCLASSIFIED

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OFFENSIVE, THOUGH THIEU EXPECTED HOLD SAIGON, DELTA, COASTAL ENCLAVES. BELIEVES COMMUNISTS WOULD NOT HAVE LAUNCHED ALL-OUT OFFENSIVE IF NOT OBVIOUS US COULD NOT INTERVENE TO SUPPORT GVN. IN PRESENT ME NEGOTIATIONS, HAK HAS BEEN HEARING FROM BOTH SIDES REFERENCES TO US SETBACKS IN SEA. SYRIA'S ASSAD TOLD HIM US HAS GIVEN UP ON TAIWAN, CAMBODIA, "AND YOU WILL GIVE UP ON ISRAEL." ISRAELI NEGOTIATORS SAID TO BE OPENLY EXPRESSING GROWING LACK OF CONFIDENCE IN US ASSURANCES, CITING CAMBODIA (AP, GLOBE).

NYT'S GWERTZMAN FROM ARABIA SEES ALMOST FATALISTIC GLOOM PERVADING HAK PARTY, WITH NVN DECISION TO MAKE

MAJOR ATTACKS IN SVN, CAMBODIA'S IMMINENT FALL HAVING IMPACT ON CURRENT ME NEGOTIATIONS IN SECSTATE'S VIEW; NEWSMEN TOLD US DIPLOMATIC INFLUENCE ON DECLINE WORLD-WIDE, AS PROBLEMS NO LONGER RESPOND TO US PRESSURE, INFLUENCE. NOTES NEW RTG LOOKS FOR BEST ARRANGEMENT FOR SELF, AND CERTAIN EXPEL REMAINING US MIL FORCES IN SHORT TIME. HAK CONCERN DIRECTED AT SIGNS OF ISOLATIONISM IN US, LACK OF DEDICATION TO AIDING COUNTRIES FIGHTING COMMUNISM, AND SEEMING DISREGARD FOR WHAT HAPPENS IN SOME COUNTRIES. NYDN'S CARTER IN JERUSALEM REPORTS SECSTATE'S BELIEF THAT LOSSES IN INDOCHINA MAKE ME PEACEMAKING EFFORTS MORE DIFFICULT AND WILL BRING TROUBLE FOR US IN OTHER PARTS OF WORLD. QUOTES HIGH US OFFICIAL THAT CONGRESS' FAILURE PROVIDE GKR/GVN MIL AID IS "AMERICAN TRAGEDY" THAT WILL HAVE REPERCUSSIONS

ON US FOREIGN POLICY FOR YEARS. SENIOR OFFICIAL WITH HAK BLAMES CONGRESS FOR WHAT IS HAPPENING IN SVN AND CAMBODIA, AND US ABANDONMENT OF FORMER FRIENDS UNDERMINES CREDIBILITY THROUGHOUT WORLD, INCLUDING ME.

SUN'S MILLS FROM JERUSALEM QUOTES US OFFICIALS THAT HAK FEARS DETERIORATING POSITION OF CAMBODIA AND SVN WILL FURTHER COMPLICATE HIS EFFORTS TO GETNEWME PEACE AGREEMENT, AND IS PART OF PATTERN OF REVERSES THAT UNDERMINE US CREDIBILITY. NOTES ISRAEL INCREASINGLY CONCERNED ABOUT DEEPENING ADMIN-CONGRESS CONFLICT. HAK IN MELANCHOLY MOOD AS NEWS OF INDOCHINA MIL ACTION REACHED HIM. SAID UNCLASSIFIED

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TO BELIEVE CAMBODIA WILL FALL SOON, BUT GVN CAN HOLD SAIGON AREA, DELTA. WP'S BERGER IN RIYADH BELIEVES FRAGILITY OF HAK'S SEA EFFORTS DEMONSTRATES HOW TRANSIENT HIS SUCCESSES CAN BE, AND THIS SAID RAISING OBSTACLES IN CURRENT NEGOTIATIONS. ISRAEL QUESTIONS VALUE OF ASSURANCES. SEES SECSTATE'S EXPERTISE AS NEGOTIATOR "CLEARLY UNDERMINED." WSJ'S LEVINE, ALSO IN RIYADH, QUOTES US OFFICIALS THAT ISRAEL LOOKING AT US PERFORMANCE IN SEA, WONDERS ABOUT VALUE OF US ASSURANCES AND LIKELY TO BE MORE RELUCTANT TO SURRENDER VALUABLE MIL TERRAIN IN SINAI. ARABS QUESTION PERMANENCE OF US COMMITMENT TO ISRAEL IN VIEW OF RELUCTANCE PROVIDE INDOCHINA ALLIES AID, SO UNDER LESS PRESSURE REACH SETTLEMENT. CSM'S SCHMIDT SEES CREDIBILITY QUESTION RAISED BY CONGRESSIONAL CUTS IN SEA AID HARMING HAK'S DIPLOMACY IN ME, WITH SADAT UNDER PRESSURE TO RESTRAIN FAITH IN US.

NYT'S GELB REPORTS ADMIN CIRCULATING DOCUMENT ON HILL THAT PURPORTS SHOW AID TO NVN BY COMMUNIST NATIONS HAS REACHED RECORD LEVELS, NOW EXCEEDS US AID TO SVN. FIGURES, PREPARED BY INTEL COMMUNITY, GIVE 1.7 BILLION

DOLS WORTH OF AID RECEIVED BY NVN IN 1974, COMPARED TO 1.2 BILLION IN US AID TO SVN THIS FY. NOTES AUTHORS CAREFULLY HEDGE DOLLAR ESTIMATES, BUT CONCLUDE NVA STRONGER THAN EVER BEFORE. GELB (3/19) QUOTES HIGH ADMIN OFFICIALS THAT WH PURSUING STRATEGY IT HOPES WILL FORCE CONGRESS "EXPEND ITS ANTI-INDOCHINA WAR SENTIMENTS" ON CAMBODIAN AID QUESTION, THUS SALVAGE AID TO SVN. RELATES IMPASSE BETWEEN ADMIN AND CHURCH AND PEARSON OVER 3-YR AID PLAN FOR SVN, WITH ADMIN WANTING 6.2 BILLION PACKAGE AND SENS PROPOSING 1.6 BILLION. QUOTES OFFICIAL THAT "NOT MAKING CAMBODIA THE SACRIFICIAL LAMB" BUT BELIEVES CONGRESS WOULD BE WARY TO TRY CUTOFF ACT TWICE.

AMB PHUONG SAYS UNCERTAINTY OF MIL AID BEING APPROPRIATED

BY CONGRESS CAUSED GVN REVISE MIL STRATEGY, YIELD 4 PROVS TO COMMUNISTS (PHINQ). QUANG TRI ALSO BEING ABANDONED, AND GVN OFFICIALS SAID GIVING UP THUA THIEN, UNCLASSIFIED

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THAT INCLUDES HUE, ALSO UNDER CONSIDERATION (CSM). ABOUT 250,000 CIVILIANS REPORTED FLEEING QUANG TRI AND HUE TO DA NANG. NVA REPORTEDLY OUTNUMBERS ARVN 2-TO-1 IN AREA (CHITRIB). MIL UNITS AND CIVIL SERVANTS REPORTEDLY ORDERED STAY IN HUE AS CITY CAME UNDER INTENSE ROCKET ATTACK (NYDN; AP, SUN). ABANDONMENT OF PROVS SETS IN MOTION ONE OF LARGEST SINGLE MIGRATIONS IN HISTORY OF VN WAR AS ENORMOUS EXODUS TAKES PLACE. GVN, US EMBASSY, MISSIONARIES AND VOLAGS SET UP FACILITIES TO FEED, SHELTER AND DOCTOR REFUGEES WHEN THEY REACH COAST (PHINQ).

WP'S LIPPMAN (ALSO IN GLOBE) NOTES ABANDONMENT OF QUANG TRI AND HUE CONSTITUTES COMPLETE REVERSAL OF GVN POLICIES THAT HAVE PREVAILED DURING WAR. RECOUNTS HISTORY OF FIGHTING IN AREA AND BELIEF IF HUE FELL, WOULD BE BLOW GVN COULD NOT SURVIVE. NYT BACKGROUNDER OPINES ABANDONMENT OF HUE WOULD REFLECT SERIOUSNESS OF GVN POSITION; WOULD PUT DA NANG ON FRONT LINES. WP'S MCCOMBS AT SAIGON (ALSO IN GLOBE) CALLS LOSSES MOST RAPID, DISASTROUS MIL SETBACK FOR GVN IN WAR'S HISTORY. QUOTES MIL OFFICIAL THAT IF THIEU DOESN'T COME UP WITH GOOD EXPLANATION OF POLICY CHANGE, HE'S IN DEEP TROUBLE. SAYS RELIABLE SOURCES INDICATE THIEU BEING CHALLENGED AND CRITICIZED DIRECTLY IN MEETINGS WITH GENERALS; NOTES APPEARS NO IMMEDIATE THREAT OF COUP. SCORCHED-EARTH POLICY BEING FOLLOWED IN SOME ABANDONED PROVS. POINTS OUT INTEL REPORTS THAT NVN HAS MOVED ELEMENTS OF 2-3 RESERVE DIVS ACROSS DMZ.

CHITRIB'S YATES IN SAIGON NOTES SWELLING TIDE OF HALF-MILLION REFUGEES HAS CREATED TREMENDOUS LOGISTICAL PROBLEMS FOR GVN. QUOTES ANALYST THAT ABANDONMENT OF PROVS SET STAGE FOR SEVERING SVN BELOW DMZ. PSYCHOLOGICAL EFFECT ON SAIGON POPULACE OF UNORGANIZED REFUGEE FLOW INCREASES HOURLY AS MORE FLEE ABANDONED PROVS, THOUGH GVN SPOKESMEN DENY HUE, DALAT BEING VACATED. MENTIONS HEAVY FIGHTING AT PROV CAPITAL 50 MILES NE OF SAIGON AND GROWING APPREHENSIONS AMONG SOME WESTERN MIL ANALYSTS THAT COMMUNISTS MAY BE MASSING TROOPS THAT UNCLASSIFIED

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COULD BE USED FOR ASSAULT ON SAIGON. ASSUMPTION IS HUE WILL BE ABANDONED AND ONLY COASTAL STRIP HELD IN NORTHERN PROVS, AND DALAT EMPTYING RAPIDLY. VOLUNTARY SURRENDER OF PROVS THIS WEEK DEEPLY SHOCKED MOST VIETS. TELLS OF CANDID REPORTS OF REFUGEE EXODUS CARRIED IN

LOCAL PRESS. QUOTES GVN COPTER PILOT, "WE'RE STILL FIGHTING, WE HAVEN'T BEEN DEFEATED, SO WHY ARE WE RUNNING?"

NYT'S MIDDLETON (3/19) SEES NVA ENTERING 2ND PHASE OF CAMPAIGN TO CUT SVN IN HALF. SUCCESSFUL DRIVE TO COAST WOULD BE SERIOUS, BUT NOT FATAL, BLOW TO GVN PLANS TO CONDUCT ACTIVE DEFENSE IN NORTHERN PROVS. QUOTES DOD SOURCES THAT NVA SWITCH FROM GUERRILLA TO CONVENTIONAL WARFARE MAY BE ADVANTAGE TO GVN IN LONG RUN, SINCE ARVN EQUIPPED AND TRAINED FOR MOBILE MECHANIZED WAR. MENTIONS PSYCHOLOGICAL IMPACT OF LOSS OF PROVS. CONSIDERS POSSIBILITY NVA DRIVE MAY CHANGE FROM NORTHERN PROVS TO SAIGON AREA. BELIEVES SAIGON TOOK CALCULATED RISK IN WITHDRAWAL, TRADING TERRITORY FOR TIME. QUOTES WASHINGTON SOURCES THAT ARVN SUFFERS ACUTE SHORTAGES IN PARTS, AMMO AND POL THAT CURTAILED CHOPPER FLIGHTS. CONCLUDES GVN'S STRATEGIC OPTIONS OBVIOUS AND DIFFICULT: ADOPTING DEFENSIVE STRATEGY AND AVOIDING MAJOR ENCOUNTERS UNTIL RESOURCES, ESPECIALLY AMMO, REPLENISHED. CITES SPECULATION HANOI ENCOURAGED REFUGEES LEAVE TO CAUSE DISRUPTION ON ROADS. MIDDLETON (3/20) SAYS GVN REPORTED BUILDING PERIMETER TO SHIELD SAIGON AND DELTA AS DEFENSES NOW STRESSED (EXCERPTED IN USIA WIRELESS FILE). NYT'S WEINRAUB FROM BATTLE AREA 50 MILES NE OF SAIGON REPORTS ARVN PRESSED BY HEAVY ACTION THAT, WITH FIGHTING NEAR TAY NINH, PRESENTS CAPITAL WITH DOUBLE THREAT. DESCRIBES ACTION NEAR XUAN LOC.

SUN'S CORDDRY QUOTES JCS CHAIRMAN GEN BROWN THAT S VIETS HAVE BACKS TO WALL, WITH ARMS AID TOP NEED (EXCERPTED IN USIA WIRELESS FILE). NYT'S FINNEY NOTES BROWN PREDICTED IN SPEECH GVN WILL BE FORCED

INTO INCREASINGLY DEFENSIVE POSITION UNLESS US  
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PROVIDES MORE ARMS AID. SEES COMMENT REFLECTING  
NEW EFFORT TO LINK GVN WITHDRAWAL TO CUTBACKS IN MIL  
AID. QUOTES NESSEN THAT PRES WATCHING SVN WITH  
"CONSIDERABLE CONCERN," AND DOS' FUNSETH THAT GVN  
DECISION WAS DUE TO REDUCTION OF AIR AND GROUND  
MOBILITY AS RESULT OF "INADEQUATE LEVEL" OF US AID.  
REMAINS DOD OFFICIALS' ASSESSMENT THAT NVA NOT  
INTENT ON ALL-OUT OFFENSIVE THIS YR, THOUGH "MAJOR  
QUESTION MARKS" HANG OVER OPINION; ONE IS STATE OF  
ARVN MORALE, AND OTHER IS REPORTED SOUTHWARD MOVE  
OF NVN RESERVES. SAYS DOD VIEW IS THAT GVN HAS MADE  
SOUND STRATEGIC DECISION IN WITHDRAWAL, AND SHOULD  
BE ABLE HANDLE ITS OWN.

AT USG REQUEST, PRIVATE RELIEF GROUPS BEGINNING EXTENDED  
EMERGENCY FOOD OPERATIONS IN CAMBODIA. UNICEF ALSO  
EXPECTS EXTEND AID (NYT SPECIAL); ANNOUNCES EMERGENCY  
PROGRAM FOR KHMER CHILDREN ON BOTH SIDES (SHANNON,  
LAT 3/19).

WP'S GREENWAY IN PP REPORTS CAMBODIAN PAPERS OPEN ANTI-  
US ATTACK THAT REPRESENTS GROWING TENSION AND ANXIETY  
AS AID DEBATE DRAGS ON IN CONGRESS (EXCERPTED IN USIA  
WIRELESS FILE). KHMER STUDENT LEADERS URGE US HALT  
ALL AID TO LON NOL, ADD AID USED TO ENRICH SMALL ELITE  
(REUTER, NYT). ABOUT 1000 STUDENTS PROTEST AGAINST  
US AID IN PEACEFUL RALLY, DECLARE THEY ARE FOR ANY  
GOVT THAT BRINGS PEACE. COMMUNISTS RAIN SHELLS ON NEAK  
LUONG. MORE FRENCH NATIONALS LEAVE PP. GKR IMPASSE  
OVER NEW GOVT CONTINUES AS LONG BORET TRIES FORM  
CABINET; POLITICAL AND DIPLOMATIC SOURCES SAY INFIGHTING  
HAS INTERRUPTED SCENARIO BY HANDFUL OF CIVILIAN POLITICIANS  
EVENTUALLY TO DUMP LON NOL, FORM PEACE GOVT  
(AP SUN, WP, GLOBE; UPI, NYDN). ROCKETS HIT  
PP AND AIRPORT, BUT DON'T DISRUPT US AIRLIFT.  
GKR STARTS CLEARING OPERATION E OF PP. MIL  
SOURCES REPORT HEAVY FIGHTING IN 2 PLACES NEAR  
BATTAMBANG (PHINQ). NYT'S ANDELMAN IN PP DESCRIBES  
MIL ACTION IN CAPITAL AREA, NOTES FIGHTING HAS  
TAKEN PRESSURE OFF AIRPORT TO GREAT DEGREE. SAYS  
THROUGH CONFUSION US EMBASSY APPARENTLY TRYING  
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AVOID GIVING IMPRESSION PP ABOUT TO FALL.

NYT'S SCHANBERG (3/10) IN PP RECALLS ENTHUSIASM  
OF 1970 WHEN SIHANOUK OUSTED AND NVA ORDERED OUT

OF CAMBODIA BY NEW GOVT. CONTRASTS IT WITH MISERY AND GLOOM ON 5TH ANNIVERSARY. SEES CORRUPTION AS KEY REASON FOR GKR LOSS OF POPULAR SUPPORT.

## 2. CHINA

PEOPLE'S DAILY PUBLISHED PARTIAL LIST (60) THURSDAY OF 293 NATIONALIST "WAR CRIMINALS" RELEASED UNDER AMNESTY MAR 19. MOST FORMER HIGH-RANKING KUOMINTANG ARMY OFFICERS, AND ALL 60 ADHERENTS OF ROC RULING PARTY. PAPER ALSO PUBLISHED PHOTO OF MOST SENIOR OFFICER RECEIVING NOTICE OF AMNESTY. REUTER REPORTS PEKING OBSERVERS SEE NO SPECIAL SIGNIFICANCE IN NAME LIST, BUT AMNESTY GESTURE SIGNIFICANT FOR HUMANITARIAN, PROPAGANDA REASONS, AND TONE OF ANNOUNCEMENT COULD INDICATE NEW PEKING INITIATIVE TOWARDS TAIWAN PROBLEM; ALSO SEEN AS MOVE TO REASSURE PRES FORD (REUTER PEKING).

CSM'S MURARKA, IN MOSCOW, SAYS BEHIND NEW WAR OF WORDS THAT HAS BEGUN BETWEEN PEKING AND MOSCOW IN WAKE OF LAST MONTH'S INDIA VISIT BY HIGH-LEVEL SOVIET MIL DELEGATION, IS DEEP USSR ANXIETY THAT PEKING IS WORKING HARD TO NORMALIZE RELATIONS WITH INDIA -- DEVELOPMENT THAT WOULD BE BIG BLOW TO SOVIET POLICIES IN SOUTH ASIA.

SUN ARTICLE ON CANCER RESEARCH HAS PROMPTED 56-YEAR-OLD MAN IN PRC TO OFFER SELF TO JOHNS HOPKINS DOCTORS FOR EXPERIMENTAL CANCER VIRUS TRANSPLANTING. LETTER DATED DEC 24, 1974, WITH FOOCOW RETURN ADDRESS. HOPKINS' PHYSICIAN SAYS IMPOSSIBLE TO ACCEPT OFFER, SINCE CONTRARY TO ETHICAL STANDARDS (SUN'S WALLACE).

## 3. KOREA

UNC WEDNESDAY ANNOUNCED DISCOVERY OF SECOND TUNNEL ALLEGEDLY DUG BY NK UNDER DMZ, 65 MILES NE OF SEOUL; UNCLASSIFIED

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SPOKESMAN SAYS UNC TO LODGE STRONG PROTEST, FORMALLY CHARGE NK WITH TRUCE VIOLATION IN 361ST MEETING MAC THURSDAY (UPI, GLOBE, WP, NYDN).

CSM NOTES LAW BANNING CRITICISM OF GOVT ENACTED WEDNESDAY, BY DRP MAJORITY LOCKED IN LOUNGE WHILE OPPOSITION STAGED SIT-IN IN ASSEMBLY.

NYT SPECIAL (SEOUL) SAYS KIM YONG SAM DECLARES PASSAGE "UNCONSTITUTIONAL" AND LAW TANTAMOUNT TO TAKING NATION BACK TO "DAYS OF EMERGENCY DECREES." DRP POLICY CHAIRMAN PARK JOON KYU CONTENTS LAW NEEDED TO CLEAR AIR OF "POLITICAL FLUNKEYISM," WHICH SEEN

AS SIGN OF OFFICIAL DISSATISFACTION OVER CONTACTS  
DISSIDENTS HAVE WITH FOREIGN PRESS, AND OFTEN WITH  
CONGRESS. NOTES LAW APPLIES TO REPORTS FILED BY  
SKOREANS WORKING FOR FOREIGN PUBLICATIONS.

WP'S OBERDORFER (ALSO IN PHINQ) SAYS BILL PASSAGE  
MARKS "BEGINNING ANOTHER CRACKDOWN" BY PARK ON  
DOMESTIC OPPOSITION. LAW APPLIES ANYONE DAMAGING  
"SECURITY, NATIONAL INTEREST OR PRESTIGE" OF KOREA  
AT HOME OR ABROAD. ADDS DONG-A ILBO MANAGEMENT  
"EVIDENTLY BOWED" HEAVY GOVT PRESSURE IN DISMISSING  
OUTSPOKEN NEWSMEN, AND POET KIM CHI HA ARRESTED  
AGAIN LAST WEEK FOR VIOLATING "ANTI-COMMUNIST LAW."

DEPY PM NAM DUK WOO SAYS SK SUSPENDS 2.7 BILLION  
DOL PROJECT TO BUILD NATION'S SECOND INTEGRATED

STEEL MILL WITH USS, UNTIL AFTER 1977, DUE FINANCING  
PROBLEMS, UNCERTAIN MARKET PROSPECTS. USS OFFICIALS  
IN PITTSBURG AWARE OF DECISION DEFER PROJECT, BUT  
HAVE NO DETAILS (WSJ).

#### 4. JAPAN

WSJ (WASHINGTON) NOTES TREASURY FINDS JAPAN DUMPING  
PORTABLE ELECTRIC TYPEWRITERS, SENDS CASE TO US INTL  
TRADE COMM TO DETERMINE POSSIBLE DOMESTIC INJURY.  
IMPORTS TOTALLED 16.4 MILLION DOLS FROM OCT 1973 TO  
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END 1974.

PHINQ'S HOLLAND CITES NY CONGEN NAKASHIMA TELLING  
PHILA WORLD AFFAIRS COUNCIL JAPAN WILL RESUME HEALTHY  
GROWTH AFTER CURRENT RECESSION, BUT AT HALF RATE OF  
1960S; FORECASTS SHIFT TO HIGH-TECHNOLOGY INDUSTRIES,  
TO REDUCE RELIANCE ON ENERGY RESOURCES.

JOC'S CULLISON IN TOKYO (3/19) REPORTS OUTLOOK DARK  
FOR MASSIVE SHIPBUILDING INDUSTRY THAT LAST YEAR  
LAUNCHED 17 MILLION GROSS TONS. WITH OIL TANKERS  
GLUT ON MARKET, SHIPPERS CANCELLING ORDERS, AND YARDS  
EXPECT LITTLE PROFIT THROUGH 1977. BUILDERS HOPE  
SHIFT TO LNG, LPG TANKERS, REEFERS, CONTAINER SHIPS,  
EVEN OFF-SHORE OIL RIGS.

COUNCIL ON ECONOMIC POLICY ADOPTS 10-POINT EMERGENCY  
PROGRAM TO PROVIDE ALMOST 5.2 BILLION DOLS TO STIMULATE  
ECONOMY OVER NEXT 2-3 MONTHS, MOSTLY EASY-TERM  
FINANCING FOR SMALL BUSINESS (JOC 3/19).

TRANSPORT MIN WEIGHING PLANS TO ENCOURAGE GREATER USE



OF MINI-CARS TO SAVE ENERGY, CONTROL POLLUTION; BUT MAKERS SAY BIGGER ENGINE, EMISSION CONTROL DEVICE, EXTRA SAFETY AND STRUCTURAL STRENGTH NEEDED WOULD RAISE PRICE AND IN END INCREASE FUEL CONSUMPTION (JOC 3/19).

5. THAILAND

KUKRIT WINS NARROW VOTE OF CONFIDENCE WEDNESDAY NIGHT, WITH 140 OF 269 VOTES. ASSEMBLY THUS APPROVES NEW RTG, AND ITS POLICY TO SECURE US TROOP WITHDRAWAL, NORMALIZE RELATIONS WITH CHINA (UPI, PHINQ, NYDN, WP). WITHDRAWAL POLICY SEEMS SWUNG SOME "RELUCTANT LEFTISTS" TO VOTE FOR KUKRIT (AP, NYT).

6. PHILIPPINES

WSJ SAYS DEP PM PHAN QUANG DAN IN MANILA APPEALS TO MARCOS TO MEDIATE CEASE FIRE, AMID REPORTS OF UNCLASSIFIED

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SECRET TALKS BETWEEN COMMUNISTS AND SAIGON.

MARCOS WEDNESDAY PROPOSES MOVE PEACE TALKS FROM SAUDI ARABIA TO SCENE OF FIGHTING, SAYS MOSLEM REBELS HAVE NOT YET RESPONDED (AFP, WP).

7. AUSTRALIA

GREGORY IN BALTO N-A (3/19) NOTES LT DEREK CATON, ROYAL AUSTRALIAN NAVY, SERVING AS EXCHANGE INSTRUCTOR AT USNA; SERVED IN HMAS PERTH TWO YEARS WITH SEVENTH FLEET, OFF VIETNAM.

REUTER (ALICE SPRINGS) SAYS THIS SLEEPY DESERT TOWN -- IMMORTALIZED IN NOVEL "A TOWN LIKE ALICE" -- NOW HOTBED FOR RACIAL VIOLENCE, DRUNKENESS, PROSTITUTION; UNDERLYING PROBLEM IS ALCOHOL, AND ITS AVAILABILITY TO ABORIGINES.

COMMENT AND ANALYSIS

8. INDOCHINA

RESTON IN NYT (3/19) SAYS MORE SOPHISTICATED EXPLANATION OF DOMINO THEORY NEEDED. PRES FORD NOT SURPRISINGLY USES SIMPLISTIC STATEMENTS WHICH OUTDATED. TODAY'S DOUBT IS NOT ABOUT US COURAGE BUT ITS JUDGEMENT. US ALLIES FEARFUL LEAST US GETS BOGGED DOWN IN SEASIA AND LOSES SIGHT OF MAJOR COMMITMENTS AND INTERESTS IN US ITSELF, EUROPE AND JAPAN. FORD STICKS WITH OLD RHETORIC.

SEYMOUR FREIDIN IN BALTIMORE (3/19) SAYS UNIFIED INDOCHINA IS NVN GOAL. CHINESE, NVN'S LAO AND CAMB COMMUNISTS ALL TOOK PART IN RECENT MEETING TO DISCUSS ULTIMATE RED TAKEOVER- NVN WILL EMERGE MAJOR VICTOR IN INDOCHINA STRUGGLE, WITH CHINESE AND RUSSIANS ON SIDELINES.

LAT SAYS FORD HAS MADE MORE ARMS FOR CAMB MATTER OF PERSONAL HONOR, BUT SHOULD NOT BE. MENTIONS INVALID DOMINOS AND DOD'S "MARVEL" BOOKKEEPING UNCLASSIFIED

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SYSTEM. CONTINUES SUPPORT COMPROMISE CAMB MIL AID AND IT IS THIS PRES SHOULD BE ADDRESSING. FOLLOWUP ED SAME PAGE CALLS FOR USG TO PRESS FOR MORE MIAS INFO. WP (3/19) CALLS FOR FIRM, FINAL DECISION ON

VN AID; CALLS ON WH TO COME FORTH WITH SPECIFIC, REALISTIC DETAILS.

LOU HARRIS SURVEY (CHITRIB) FINDS ONLY 28 PERCENT OF AMERICANS BELIEVE COMMUNIST TAKEOVER IN SVN WOULD BE SERIOUS SETBACK FOR US WORLD PRESTIGE; ONLY 23 PERCENT BELIEVE CAMBODIA'S FALL WOULD BE. BY 74-17 PERCENT MAJORITY, THOSE POLLED (MAR 3-10) AMONG CROSS-SECTION OF 1,513 ADULTS NATIONWIDE OPPOSE SENDING SVN ADDITIONAL MIL AID; BY 26-21 PERCENT MAJORITY, THEY OPPOSE 220 MILLION EMERGENCY AID FOR GKR.

TO CHITRIB, WHOLE BUSINESS OF ADMIN-CONGRESS DEBATING AMOUNT OF MIL AID TO CAMBODIA SEEMS TO CONTAIN ASSUMPTION US CREDIBILITY IS PURCHASABLE ITEM -- "SO MANY DOLLARS, SO MANY POINTS FOR FIRMNESS AND RESOLUTION. WE DON'T THINK IT WORKS THAT WAY," NOR "ARE WE EVEN SURE OUR CREDIBILITY IS AT STAKE. OUR PAST WISDOM CERTAINLY MAY BE QUESTIONED; BUT SINCE WE KNOW OF NO COMMITMENT ON OUR PART" TO LON NOL GOVT, AND NONE OF OUR ALLIES SEEMS TO THINK ANY POINT TRYING SAVE IT, "WHO IS GOING TO LOSE CONFIDENCE IN US?" CONCEDES ADMIN ARGUMENT THAT MIL AID TO CAMBODIA IS INVESTMENT IN ME PEACE, WITH HAK THERE NOW, AND FEELS CONGRESS SHOULD WEIGH THIS CAREFULLY. BUT SUGGESTS IF SO MUCH DEPENDS ON HAK'S PRESTIGE, HE WOULD DO WELL TO MAKE SURE OF CONGRESSIONAL SUPPORT BEFORE RISKING IT AGAIN.

NYT'S LEWIS SEES PREMISES CHANGING IN SEA, WITH NEW INDIGENOUS BALANCE OF FORCES LIKELY TO EMERGE, LEFT OF US DESIRES, BUT STRONGLY NATIONALISTIC -- NOT COMMUNIST MONOLITH. INSISTS US SHOULD BE HELPING ARRANGE CAMBODIA C-F - AND PICKING UP HINTS BEING HEARD IN SVN ABOUT TALKS WITH OTHER SIDE -- WITH REPLACEMENT OF "OUR FANATICALLY RIGID" AMB MARTIN AS FIRST SYMBOL; REGRETS FORD, HAK ONLY TALK OF MORE

ARMS (EXCERPTED IN USIA WIRELESS FILE).

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EVANS/NOVAK (WP AND GLOBE) CONTEND THIEU'S FAILURE TO CONSULT WITH US ON PULLBACK FROM HIGHLANDS COMPLETES END OF WASHINGTON'S TUTORSHIP OVER GVN, BUT ALSO CARRIES MORE SINISTER CONNOTATIONS OF SAIGON'S RESENTMENT THAT CONGRESS HAS DOOMED COUNTRY TO DESTRUCTION (EXCERPTED IN USIA WIRELESS FILE).

ASIA HOUSE GALLERY DIRECTOR WARDWELL, IN LETTER TO NYT, CITES "POINTLESSNESS" OF SUPPORTING GVN WITH MORE AMMO, MIL HARDWARE. SAYS NOT ONLY MORE LIVK BEING LOST BY CONTINUED FIGHTING, BUT PP ART WORKS, ARCHITECTURE, SCULPTURES BEING DESTROYED.

#### 9. JAPAN

REUTER'S NAKAMIKADO (MAR 19) OBSERVES TOKYO WINNING BATTLE TO REDUCE AIR POLLUTION, AND BLUE SKIES RETURNING TO CAPITAL WITH STRICT ENFORCEMENT OF INDUSTRIAL POLLUTION UNDER 1969 CLEAN AIR ACT. TO COMBAT MORE RECENT "INVISIBLE SCOURGE" -- PHOTOCHEMICAL SMOG -- JAPAN ENFORCES WORLD'S STRICTEST AUTO EMISSION CONTROLS, AND TOKYO BANS TRUCKS FROM CITY CENTER DURING RUSH HOURS, FACILITATES TRAFFIC FLOW BY SENSOR-FED COMPUTER CONTROL OF TRAFFIC SIGNALS. BUT POLLUTION REMAINS INTENSE POLITICAL ISSUE, AND MIKI RECENTLY FORCED DENY PUBLICLY JCP CHARGE OF COLLUSION BETWEEN LDP AND AUTO MAKERS TO DELAY ENFORCEMENT OF EVEN STRICTER EMISSION STANDARDS ORIGINALLY SET FOR 1976.

#### 10. THAILAND

SUN'S ABRAMS IN BANGKOK (3/19) NOTES ECONOMIC ANALYSTS SAY THAI ECONOMY BASICALLY HEALTHY DESPITE 16 PERCENT INFLATION RATE LAST YEAR. BUT FINDS SUCH PRONOUNCEMENTS SMALL COMFORT FOR MILLIONS OF THAIS, WHO STRUGGLE TO MAKE ENDS MEET ON MEAGER SALARIES AND WHOSE INFREQUENT INCREASES LAG FAR BEYOND SPIRALING COST OF LIVING. THEY NEVER HAD TROUBLE BUYING BASIC FOOD BEFORE, BUT NOW AT MONTH'S END FIND MONEY GONE. THESE THAIS UNDERSTAND LITTLE OF ECONOMIC FACTORS; INSTEAD, TRY UNCLASSIFIED

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BELIEVE SOME DAY, SOME WAY, CRUNCH WILL END.

#### 11. PORTUGUESE TIMOR

WSTAR (MAR 19) CONCEDES TIMOR NOT MOST VEXING QUESTION

IN WORLD, BUT BELIEVES ITS FATE WILL AFFECT REGIONAL STABILITY. WOULD BE PITY IF INDONESIA, WHICH CREATED IMAGE OF STABLE, PEACEFUL NATION AFTER SUKARNO, SULLIES REPUTATION BY ACT OF AGGRESSION. IF INDONESIA WANTS BRING TIMOR UNDER OWN ADMINISTRATION, SUGGESTS PROPER WAY WOULD BE TO CONVINCE PEOPLE OF COLONY SUCH MOVE WOULD BRING GREATEST BENEFITS.

11. GENERAL

ZORZA (SPECIAL TO CSM) EXAMINES SOVIET-JAPAN-CHINA TRIANGULAR RELATIONSHIP; SEES TOKYO, WHICH HOPED PLAY NEIGHBORS OFF AGAINST EACH OTHER, BEING SQUEEZED BY BOTH. MAJOR ISSUE IS PEACE AND FRIENDSHIP TREATY BEING NEGOTIATED BY JAPAN, CHINA, WHICH SOVIETS FEAR MAY BECOME "PACT OF HOSTILITY" AIMED AT THEM. PEKING CONCERNED SOVIETS MAY INDUCE JAPAN DROP TREATY LANGUAGE CONCERNED SOVIETS MAY INDUCE JAPAN DROP TREATY LANGUAGE OPPOSING "HEGEMONY" OF THIRD COUNTRY IN REGION, TO WHICH PRINCIPLE CHINA AND US HAVE ALREADY SUBSCRIBED. AND IMPROVEMENT OF SOVIET-JAPAN RELATIONS HINGES ON FOUR NORTHERN ISLANDS JAPANESE INSIST BE RETURNED AS PREREQUISITE TO PEACE PACT.

ZORZA SPECULATES ENDORSEMENT OF STATUS QUO BY EUROPEAN SECURITY CONFERENCE, SEEN ALMOST CERTAIN TO BE HELD THIS SUMMER, WOULD REDUCE SOVIET FEAR OF SETTING PRECEDENT BY RETURNING TERRITORY, THUS EVENTUALLY PERMIT USE OF ISLANDS AS BARGAINING CHIP TO INDUCE GUARANTEEING NEW STATUS QUO WITHIN JAPAN-CHINA-SOVIET TRIANGLE. BELIEVES POTENTIAL POWER OF TRIANGLE WOULD GIVE ALL THREE "NOT NECESSARILY IN ALLIANCE" KIND OF CENTRAL ROLE EUROPE ONCE PLAYED IN WORLD AFFAIRS (SIMILAR VIEW IN WP, USIA WIRELESS FILE 3/20).  
INGERSOLL

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